

The Place of Students in Central Melbourne:
Cash Cows or Community Members?
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What we know is that, in general, the purpose-built student housing in Carlton and the city is smaller than other housing, available for the same rent, or more expensive than most equivalent-sized housing, or smaller and more expensive.

We've looked at 31 student apartment blocks built in the last 10 years. They contain about 5,000 dwellings, 7,000 bedrooms and 10,000 residents. Stats on our data set are laid out in our report which will be available at the door at the end of this Conversation, but I'll just give you a sense of the dimensions:

65% of the buildings we've looked at occupy 100% of their site. And they are dense: the average number of square metres per person is 18—that's 6 by 3 m—with the smallest being 11—5 by 2. Nearly 60% of the buildings have less than 2% of the total building area dedicated to communal (that is, non-commercial) space.

Now at least some of this could be ok, if the apartments were cheap!

But the average rent on a one-bedroom apartment at the newly-opened College Square on Campus, for example, is \$250 per week. At Arrow on Swanston—another important student housing provider—it is \$240. In a fairly standard non-dedicated student apartment block in Flinders Street it is \$185. In share housing the average is around \$100 per week (and we're talking usually about much more space in the share house).

This is unlike the situation in much of Europe and North America. In Germany, for example, a nationwide, state-supported non-profit company called *Studentenwerk* builds or converts and owns all dedicated student housing (and runs university services as well). Student housing in German cities is significantly cheaper than average private rental housing.

In Italy similar kinds of regional companies, also state-supported and not-for-profit, build and own all student housing. Indeed in towns like Urbino the regional housing provider uses its economic capacity to restore and re-use historic buildings and make really important contributions to the urban form. Student housing is always the first to be full, and they're currently building more housing to try to alleviate the big problem of private landlords cramming 5 students into one-bedroom flats and making a killing!

In England student housing is generally owned and operated by the universities in Halls of Residence, with competitive rents and high levels of pastoral care. There has

recently been a higher level of private housing provision and this too competes well with the broader rental market.

In the US, housing for freshers in Halls of Residence, also owned by the universities, is virtually guaranteed: the rents are about the same as those in the private rental market but again the standard of pastoral care—all meals, communal activities, tutorial programs and so on—is much greater than that offered in the purpose built student housing in Melbourne.

In addition, both the UK and US Halls of Residence offer extensive scholarships that cover housing expenses. Stanford in California for example has what they call a 'needs-blind' assessment process not only for course enrolment but also for housing. All students accepted into a first year course who are without the means to pay for housing receive financial aid packages that cover the entirety of their housing expenses.

The point here is that in all the places we've looked at, student housing is routinely cheaper than or competitive with the broader private rental market. Only in Melbourne do we have this situation of an inflated housing sub-market filled with students who are not aware that there are cheaper and/or better housing alternatives elsewhere in the city.

Partly also because in Australia there is less of a tradition of moving to another city for their tertiary education—so most local students are familiar with the local housing market—we have a phenomenon of local students not moving into this purpose-built housing. This means that many of these apartment blocks have close to 100% international student populations. And this is leading to the kind of segregation that many of you will have already read about, and which is discussed in our mid-project report.

All parties must take responsibility for this: the universities, government planners and regulators, and the housing providers themselves. One of the assessments of this project is that it is not good enough to assume that because there is a market that will pay these rents, it is reasonable to continue to make this the primary option available. The universities have to think about the influence they can have over local housing production.

Government has to consider its planning and regulatory frameworks—Melbourne 2030, for example, needs to explicitly address student housing as one aspect of achieving diversity and affordability in the broader housing market.

And we must also include the notion of corporate citizenship in any discussion we have on Melbourne as a vibrant, multicultural city.